

**CITY OF MOUNTAIN VIEW
MEMORANDUM**

DATE: September 2, 2010

TO: City Council

FROM: Peter Gilli, Zoning Administrator
Randal Tsuda, Community Development Director

SUBJECT: SEPTEMBER 7, 2010 STUDY SESSION—PRECISE PLAN AMENDMENTS
AND DEVELOPMENT PROJECT FOR 455 SAN ANTONIO ROAD

PURPOSE

Staff requests Council input regarding the San Antonio Center, proposed Precise Plan Amendments and a mixed-use development project at 455 San Antonio Road.

REPORT CONTENTS

- Overview of the proposed project;
- Discussion of the City's fundamental vision and expectations for the Center;
- Discussion of site design and circulation issues; and
- Outline the parameters of Precise Plan Amendments.

BACKGROUND

The San Antonio Center is a 56-acre site with 763,000 square feet of commercial building area (0.31 FAR) bounded by El Camino Real, San Antonio Road, California Street and Showers Drive. The Center is split into parcels owned by several parties, with two primary owners:

- San Antonio Center, LLC—34 acres (60 percent of the Center), including Walmart, Kohl's, 24-Hour Fitness and Trader Joe's. Several of these tenants have long-term leases.
- Merlone Geier—16 acres (29 percent of the Center), including Sears, Sears Tire Center and Rite Aid at the northeast corner of El Camino Real and San Antonio Road. Merlone Geier purchased the property in 2010.

PROJECT OVERVIEW

Merlone Geier proposes Precise Plan Amendments and a development project on their 16 acres, to demolish 223,000 square feet of existing commercial area and construct 311,000 square feet of commercial area (net increase of 88,000 square feet) in 7 new buildings with retail tenants of various sizes and 340,000 square feet of residential area for 325 to 350 units. Building heights range from 24' to 40' for one-and-two-story retail buildings to 71' for the mixed-use building with ground-level retail and four stories of residential above. Parking is provided using various methods, including underground parking for residents and surface, podium, mezzanine and rooftop parking for retail customers. The project will have a floor area ratio (FAR) of about 0.92 (residential and commercial building area).

Parcel	Acres	Proposed	FAR
Market/Grocery Retail Parcel	5.6	92,500 square feet commercial	0.38
Mixed-Use Retail/Residential Parcel	5.5	43,800 square feet commercial; 340,200 square foot residential; 325 to 350 dwelling units; 384,000 square feet total	1.59
Major Retailer Parcel	5.2	175,000 square feet commercial	0.77
TOTAL	16.3	651,000 square feet; 325 to 350 dwelling units	0.92

Market/Grocery Retail Parcel

The Market/Grocery Retail Parcel is located at the northeast corner of El Camino Real and San Antonio Road (see Attachment 3—Merlone Geier Parcels). This parcel consists of a large, 65,000 square foot Safeway store with rooftop parking, a Rite Aid with a drive-up pharmacy window and two retail buildings at the street corner.

The Safeway would be one of the primary anchors for the Merlone Geier project and is intended to attract customers into the site for day-to-day shopping needs, which will benefit the smaller tenants in the Center. The new store would move from the existing

42,000 square foot Safeway building at 2580 California Street, north of San Antonio Center.

A 17,200 square foot Rite Aid building with a drive-up pharmacy window is located next to Safeway, and two buildings totaling 10,000 square feet and a pedestrian plaza are located at the prominent corner of El Camino Real and San Antonio Road.

Mixed-Use Retail/Residential Parcel

The Mixed-Use Retail/Residential Parcel is adjacent to the Market/Grocery Retail Parcel and the Hetch-Hetchy Parcel and has three buildings with ground-level commercial uses and parking with four stories of residential units above (see Attachment 3—Merlone Geier Parcels). The primary vehicular entrance from the signalized intersection of Fayette Drive and San Antonio Road leads through the Mixed-Use Parcel.

Assigned parking for the residential units will be in an underground garage: studio and one-bedroom units get one space; two- and three-bedroom units get two spaces. Several two-bedroom units will have a tandem space as their second assigned space. The adequacy of the parking will be studied further by the Environmental Planning Commission and staff through the Precise Plan Amendment process.

A Main Street and greenbelt, which Merlone Geier refers to as "San Antonio Green," runs along the north side of the Mixed-Use Parcel. The ground floor of the Mixed-Use Buildings have restaurants and retail tenants that front along Main Street, with large sidewalks and angled parking creating a pedestrian-experience similar to Castro Street.

Major Retailer Parcel

The Major Retailer Parcel is located at the northeast corner of San Antonio Road and the new Main Street (see Attachment 3—Merlone Geier Parcels). Plans for the Major Retailer Parcel were not provided for the May 2010 Study Session, but conceptual architectural plans have been provided for this Study Session.

The parcel is intended for three large retail tenants ranging from 33,000 square feet to 46,000 square feet, with about 10,000 square feet for small ground-floor tenants facing Main Street. If there is market demand for a single tenant utilizing the entire building, Merlone Geier will revise the plans accordingly. Parking is located on the ground level with the opportunity for mezzanine parking if needed. The retail sales floor is located on the second floor. Merlone Geier acknowledges that the exterior architectural design will change as they reach agreements with potential tenant(s).

ANALYSIS

Vision for the San Antonio Center

The Center suffers from a lack of coordinated design and circulation, which the San Antonio Center Precise Plan states in its introduction. At the City Council Study Session on May 18, 2010, staff outlined several site design and circulation issues necessary to improve the Merlone Geier project. But Council focused their discussion in May on big-picture issues such as the desired identity and character of the Center (see Attachment 10—Draft Minutes from May 18, 2010 Study Session), which was appropriate because it transcends circulation and site design.

Land Uses

The composition and layout of uses and activities in the Merlone Geier plan reflect what they consider appropriate and realistic for the site, based on their experience and economic factors.

In addition to economic factors, the Council must consider a range of issues, including community values, goals and needs. The 2008 General Plan Visioning Process report summarizes public input related to the San Antonio Center, including expanded retail uses that serve the local community and the surrounding region, and the inclusion of mixed-use retail/residential and mixed-use retail/office buildings, and the incorporation of open space (see Attachment 6—Excerpt from the 2008 General Plan Visioning Process).

Merlone Geier proposes a combination of neighborhood-serving stores such as Safeway and Rite Aid, a Main Street with pedestrian-oriented stores and up to three regional tenants on the Major Retailer Parcel. Residential uses are proposed to provide a built-in customer base for the Center. These uses are generally compatible with the 2008 General Plan Visioning Process report.

- **Recommendation 1: Type of Shopping Center:** Decide if the combination of uses and activities proposed by Merlone Geier is consistent with the City's vision.

Character of Development

The 16-acre Merlone Geier property is at the most significant location in the Center, at the prominent intersection of San Antonio Road and El Camino Real. Creating a strong building presence with active storefronts at the major intersection and along the public

streets is emphasized in the 2008 Visioning Process (see Attachment 6—Excerpt from the 2008 General Plan Visioning Process).

The Mixed-Use Parcel and Major Retailer Parcel places buildings close to San Antonio Road and the new Main Street, but the parcel at the corner of San Antonio Road and El Camino Real has two relatively small buildings, a plaza and parking lots for Safeway and Rite Aid.

- **Recommendation 2: Character of Development:** Decide if the general location of buildings and how they relate to the streets are consistent with the City vision.

Project Issues

This section outlines methods to improve the circulation and street frontages of the project, assuming that the fundamentals of the Merlone Geier plan are accepted by the Council.

Effective and Efficient Circulation

The Precise Plan identifies the lack of a coordinated circulation network as a critical flaw in the existing shopping center. Any new development should create a clear, integrated network of complete streets providing pedestrian, bicycle and vehicular circulation through the project, and with the rest of the Center. Merlone Geier prepared a conceptual master circulation diagram that shows how a hierarchy of circulation routes can create a logical block pattern for the entire Center and how the Merlone Geier project could be integrated with future phases of a long-term revitalization of the Center (see Attachment 2—Master Circulation Diagram). There are remaining areas for circulation-related improvements on the Merlone Geier property, as described below.

Completing Main Street (San Antonio Green)

The Main Street/San Antonio Green is a circulation route and open space that runs along on the Hetch-Hetchy Parcel separating the Mixed Use Parcel from the Major Retailer Parcel. The open space will allow for a variety of uses, including recreational opportunities for future residents and shoppers. The San Antonio Green can be the major organizing and amenity element that ties the entire Center together, and policies that extend the greenbelt as part of future development should be considered in the Precise Plan (this is covered later in the report).

The south side of Main Street is an excellent pedestrian-oriented, walkable environment with storefronts, outdoor seating, wide sidewalks, street trees and angled on-street

parking. Revised plans were recently submitted to introduce ground-level tenant spaces fronting the Main Street.

- **Recommendation 3: Complete Main Street:** Request that Merlone Geier continue to improve the pedestrian environment on the north side of Main Street through pedestrian-oriented storefronts, wide sidewalks and/or on-street parking to the maximum extent possible.

Also, the Main Street ends at the eastern edge of the project without a transition to the adjacent site. Merlone Geier is in the process of designing an appropriate transition to the circulation network on the San Antonio, LLC property.

Completing the Street and Sidewalk Grid

Through the evolution of this project, Merlone Geier has expanded pedestrian, bicycle and vehicular circulation options with the grid pattern of streets and tree-lined sidewalks throughout most of the site. Since the May Study Session, Merlone Geier added tree-lined sidewalks have been added along the north side of the Main Street and connecting the buildings at the corner of San Antonio Road and El Camino Real with the Safeway building. There are a few areas where tree-lined sidewalks should be added to complete the street grid (see Attachment 4—Complete Sidewalks).

- **Recommendation 4: Complete the Grid:** Request that Merlone Geier complete the street grid network with sidewalks and tree-lined streets through the site.

Simplify Circulation

This circulation between the Mixed-Use Parcel and the Market/Grocery Parcel is complicated and should be simplified (see Attachment 5—Simplify Circulation Network). Since the last Study Session, Merlone Geier has improved the situation by moving the ramp leading to the rooftop parking to the southern side of the Safeway building.

The ramp leading residents to the underground parking garage is accessed from a driveway between the Mixed-Use Parcel and the Market-Grocery Parcel. This location requires a resident to make several turning movements and on-site intersections to reach the garage entrance. Merlone Geier continues to study improvements for on-site circulation and should strive to improve resident access to the garage.

- **Recommendation 5: Improved Vehicular Circulation:** Request that Merlone Geier continue to simplify the circulation network between the Mixed-Use Parcel

and the Market/Grocery Parcel and improve resident's vehicular access to the underground garage.

Pedestrian-Oriented Streetscapes

Once a clear circulation network is established, pedestrian-oriented streetscapes and gathering spaces must be provided within the project.

Corner Building Frontages

The corner buildings and plaza at El Camino Real and San Antonio Road are being designed to be a visual anchor for this prominent corner, but only one of the tenant spaces in the corner buildings has storefront windows along the public street. This is the 2,180 square foot tenant space that is adjacent to the public plaza (see Attachment 1, Sheet A8—Plan Set—Site Plan). For the plaza to be successful, this tenant must be a use that would utilize outdoor seating such as a sandwich or coffee shop (see Attachment 1, Sheet L5—Plan Set—Corner Plaza).

Most of the tenant spaces in these two buildings are narrow and deep, and have their entrances and active storefronts facing the interior parking lot. Providing a streetside entrance would require two entrances, create security challenges for some stores and make it difficult to locate storage rooms and bathrooms. Merlone Geier can design these tenant spaces to have storefronts along the public streets in a manner similar to the Starbucks, Pizza My Heart and Jamba Juice tenant spaces in the El Monte Shopping Center (corner of El Monte Avenue and El Camino Real).

- **Recommendation 6: Corner Building Storefronts:** Request that Merlone Geier continue to explore methods to provide storefronts as possible for the corner buildings.

Rite Aid Frontage

Other than the corner building, the side of the Rite Aid building is the primary building seen from the El Camino Real frontage (see Attachment 1, Sheet A15—Plan Set—Elevations). A single parking aisle separates the Rite Aid building from El Camino Real, which is an improvement over the existing Rite Aid building that has two parking aisles between the building and the street (see Attachment 1, Sheet A8—Plan Set—Site Plan). Merlone Geier has located the entrance to the Rite Aid at the corner of the building, giving it some street presence, and has committed to an attractive, varied elevation facing El Camino Real consisting of storefronts, high-quality materials, landscaping and other architectural features (see Attachment 1, Sheet L4—Plan Set—El Camino Streetscape).

- **Recommendation 7: Rite Aid Frontage:** Accept the Rite Aid parking lot based on improvements to the street-facing elevation.

Safeway Frontage

A larger parking lot is located in front of Safeway, which is a significant concern considering the proximity to the San Antonio Road and El Camino Real intersection. The parking lot is well landscaped, but it would be preferable to have buildings placed closer to the street and placing parking off to the side or rear. For comparison, the setback from San Antonio Road for Safeway will be similar to the Ross/BevMo building from California Street (see Attachment 1, Sheet A11—Plan Set—Neighborhood Context, Sheet 2—Proposed Plan).

Staff prepared exhibits in the May 18 Study Session report that showed alternatives to the location of the Safeway building, including placing the building closer to San Antonio Road with parking behind or rotated with parking on the sides (see Attachment 9—Staff Report and Attachments from May 18, 2010 [Attachments 6, 7 and 8]). The staff report and exhibits illustrate the challenges of placing a single-level, single-tenant, 65,000 square foot building on the parcel (see Attachment 9—Staff Report and Attachments from May 18, 2010 [Page 8 of the report]). Staff does not believe any of the alternate Safeway locations presented in the previous staff report are superior to the currently proposed location.

Merlone Geier has worked to screen the Safeway parking area and improve the streetscape design. They introduced a series of trellis elements on San Antonio Road, in conjunction with significant landscaping, to try to mitigate the width of the Safeway parking lot along the street (see Attachment 1, Sheet L6—Plan Set—San Antonio Streetscape). Staff believes more work is needed to increase the building presence to narrow the gap between the Mixed-Use Building and the buildings at the corner of El Camino Real and San Antonio Road (see Attachment 1, Sheet A15—Plan Set—Elevations).

- **Recommendation 8: San Antonio Road Frontage:** Request that Merlone Geier continue to explore ways to increase the building presence and narrow the width of the parking lot along San Antonio Road.

Fayette Drive Service Area

The roadway leading from the intersection of San Antonio Road and Fayette Drive runs by the rear service and loading areas of the two mixed-use buildings along San Antonio Road (see Attachment 1, Sheet R-3—Plan Set—First-Floor Plan). This roadway will be

highly traveled, and Merlone Geier is designing the area to make the service areas as attractive as possible (see Attachment 1, Sheet R-16—Plan Set—Rendering). Merlone Geier has committed to improving the appearance of this area.

- **Recommendation 9: Fayette Drive Streetscape:** Request that Merlone Geier continue to improve the visual appearance and pedestrian experience along the Fayette Drive driveway.

Major Retailer Parcel Frontage

Merlone Geier has provided schematic elevations and noted that they expect the eventual tenants will customize the exterior of the building. In their current form, the plans show limited pedestrian interest or opportunities for activity along the San Antonio Road frontage (see Attachment 1, Sheet A16.1—Plan Set—Elevations).

- **Recommendation 10: Major Retailer Parcel Frontage:** Request that Merlone Geier provide pedestrian-interest or opportunities for activity along the San Antonio Road frontage.

Special Public Places

There are several locations within the project that provide for public gathering of various sizes, from a small meeting with a friend to a large group activity. Outdoor dining opportunities are available on the south side of Main Street, in front of Safeway and the plaza at the corner of San Antonio Road and El Camino Real. The San Antonio Green can be a location for outdoor recreational activity and larger gatherings.

- **Recommendation 11: Special Places:** Request that Merlone Geier continue to refine the public spaces to provide for various gathering opportunities within the project.

Precise Plan Amendments

Merlone Geier and San Antonio Center, LLC (neighboring property owner) propose Precise Plan Amendments that allow the Center to grow from 763,000 square feet (0.31 FAR) up to 1.2 million square feet (0.53 FAR) (commercial and residential area):

- Merlone Geier Property: Amend the Precise Plan to allow their project, which is a net increase of 88,000 square feet of commercial area and 350,000 square feet of residential area accommodating 325 to 350 units for the 16 acres owned by Merlone Geier, and amend the allowed uses and development standards (including setback and height regulations) for the entire Center.

- Remainder of the Center: Net increase of 100,000 square feet of commercial area with no residential units for the remaining 40 acres, of which San Antonio Center, LLC, owns 34 acres. Based on discussions with San Antonio Center, LLC, the 100,000 square foot allowance is more than they would likely build for several decades based on existing long-term leases. Other owners in the Center could also draw from this allowance.
- Master Circulation Plan: At the request of the City Council, Merlone Geier prepared a draft Master Circulation Plan which establishes a hierarchy of integrated circulation routes through the Center, creating a conceptual block pattern.

The City Council can amend the Precise Plan in the future to add more development potential to reflect the upcoming revision to the General Plan or other changing circumstances that may affect lease terms or property ownership.

Next Steps

Precise Plan Amendments

Following this Study Session, staff will prepare draft policy language and regulations for the San Antonio Center Precise Plan based on Council direction, which will then be taken to the Environmental Planning Commission (EPC) for review and recommendation to the City Council (see Attachment 8—Project Schedule).

Development Project

Staff will continue to work with Merlone Geier to refine their development proposal. The project will be the subject of DRC and Administrative Zoning hearings leading up to the final City Council hearing set for April 12, 2011.

Environmental Impact Report

The Draft Environmental Impact Report (EIR) for the Precise Plan Amendments and development project is anticipated to be published in November 2010. Since the EIR covers the Precise Plan Amendments and the development project, the EPC and Zoning Administrator will make formal recommendations to the City Council.

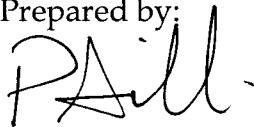
CONCLUSION

The project will revitalize the corner of San Antonio Road and El Camino Real, create an attractive pedestrian-shopping environment along the south side of the new Main Street and will establish the framework for a street-grid/network for the entire site, all of which begins to achieve the fundamental goals for the Center. Additional work is needed to improve street frontages and on-site circulation (see Attachment 7—Reference List of Recommendations).

PUBLIC NOTICING

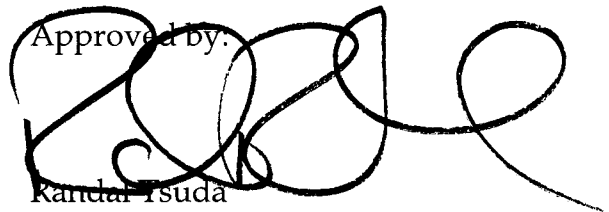
Mailed notices were sent to all property owners within 1,000' of the San Antonio Shopping Center, and the date of this Study Session was posted on the City's web site since July 26, 2010.

Prepared by:

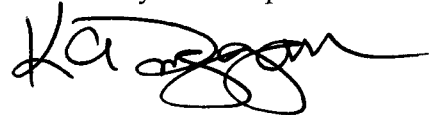


Peter Gilli
Zoning Administrator

Approved by:



Randal Tsuda
Community Development Director



Kevin C. Duggan
City Manager

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- Attachments:
1. Plan Set
 2. Master Plan Circulation Diagram (Merlone Geier)
 3. Merlone Geier Parcels (staff exhibit)
 4. Complete Sidewalks (staff exhibit)
 5. Simplify Circulation Network (staff exhibit)
 6. Excerpt of the 2008 General Plan Visioning Process
 7. Reference List of Recommendations
 8. Project Schedule
 9. Staff Report and Attachments from May 18, 2010 Study Session
 10. Draft Minutes from May 18, 2010 Study Session